

**ASSEMBLY BILL**

**No. 844**

**Introduced by Assembly Member Chan**

February 22, 2001

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An act to amend Section 12693.77 of the Insurance Code, and to amend Section 14011 of the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 844, as introduced, Chan. Health care: verification of eligibility.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to children older than 12 months and less than 19 years of age who meet certain eligibility criteria. Existing law also provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons. Existing law provides for the verification of various data, including income, of Medi-Cal applicants.

This bill would make various technical, nonsubstantive changes to the above provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12693.77 of the Insurance Code is  
2 amended to read:

1 12693.77. (a) The board shall develop safeguards to assure  
2 the fiscal integrity of the program.

3 (b) The program shall ensure that subscribers are not eligible  
4 for no-cost full-scope Medi-Cal coverage. The board may provide  
5 data on applicants and subscribers to the State Department of  
6 Health Services for determination of Medi-Cal eligibility. The  
7 State Department of Health Services shall identify those  
8 subscribers enrolled in the program who are concurrently enrolled  
9 in Medi-Cal with no share of cost.

10 (c) Any person who intentionally makes false declarations as  
11 to his or her eligibility or any person who intentionally makes false  
12 declarations as to eligibility on behalf of any other person seeking  
13 eligibility under this part for which that person is not eligible shall  
14 be guilty of a misdemeanor.

15 (d) ~~Plans~~ *Health care service plans* and *health care* providers  
16 shall be subject to Section 550 of the Penal Code.

17 (e) Any person who intentionally makes false declarations as  
18 to his or her eligibility or any person who intentionally makes false  
19 declarations as to eligibility on behalf of any other person seeking  
20 eligibility under this part for which that person is not eligible may  
21 be denied coverage for up to one year from the date of the denial  
22 of coverage by the board.

23 SEC. 2. Section 14011 of the Welfare and Institutions Code is  
24 amended to read:

25 14011. (a) Each applicant who is not a recipient of aid under  
26 ~~the provisions of Chapter 2 (commencing with Section 11200) or~~  
27 Chapter 3 (commencing with Section 12000) shall be required to  
28 file an affirmation setting forth ~~such~~ *those* facts about his *or her*  
29 annual income and other resources and qualifications for  
30 eligibility as may be required by the department. ~~Such~~ *These*  
31 statements shall be on forms prescribed by the department.

32 (b) To the extent permitted by federal law, eligibility for  
33 medical assistance for ~~such~~ *these* applicants shall not be granted  
34 until the applicant or designated representative provides  
35 independent documentation verifying statements of gross income  
36 by type and source; income amounts withheld for taxes, health care  
37 benefits available through employment, retirement, military  
38 service, work related injuries or settlements from prior injuries,  
39 employee retirement contributions, and other employee benefit  
40 contributions, deductible expenses for maintenance or



1 improvement of income-producing property and status and value  
2 of property owned, other than property exempt under Section  
3 14006. The director may prescribe those items of exempt property  
4 which the director deems should be verified as to status and value  
5 in order to reasonably assure a correct designation of those items  
6 as exempt.

7 (c) The verification requirements of subdivision (b) apply to  
8 income, income deductions and property both of applicants for  
9 medical assistance (other than applicants for public assistance) and  
10 to persons whose income, income deductions, expenses or  
11 property holdings must be considered in determining the  
12 applicant's eligibility and share of cost.

13 (d) A determination of eligibility and share of cost may be  
14 extended beyond otherwise prescribed time frames if, in the  
15 county department's judgment, and subject to standards of the  
16 director, the applicant or designated representative has good cause  
17 for failure to provide the required verification and continues to  
18 make a good faith effort to provide ~~such~~ *that* verification.

19 (e) To the extent permitted by federal law, in addition to the  
20 other verification requirements of this section, a county  
21 department may require verification of any other applicant  
22 statements, or conduct a full and complete investigation of the  
23 statements, whenever a verification or investigation is warranted  
24 in the judgment of the county department.

25 (f) If documentation is unavailable, as defined in regulations  
26 promulgated by the department, the applicant's signed statement  
27 as to the value or amount shall be deemed to constitute verification.

